

## STATE OF HAWAII — DEPARTMENT OF TAXATION

<b>FORM</b> <b>N-163</b> (REV. 10/2003)	<b>FUEL TAX CREDIT FOR COMMERCIAL FISHERS</b> Or fiscal year beginning _____, 20____ and ending _____, 20____	<b>TAX</b> <b>YEAR</b> <b>20</b> ____
---	--	---

**ATTACH THIS SCHEDULE TO FORM N-11, N-12, N-15, N-20,  
N-30, N-35, N-40, OR N-70NP**

Name	SSN or FEIN
------	-------------

**PART I — COMPUTATION OF TAX CREDIT FOR COMMERCIAL FISHERS.**

**Note:** If only the distributive shares(s) of the credit is being claimed on Form N-163, begin on Line 4.

1. Enter the number of gallons of diesel oil, liquid petroleum gas, and/or other alternative fuel purchased and used by the principal operator..... \_\_\_\_\_
2. Multiply the number of gallons from Line 1 by \$.01 and enter the amount here (Line 1 x \$.01). ..... \$ \_\_\_\_\_
3. Add the amount of credit from Part II, Line 3, Columns A through D, and enter total here..... \$ \_\_\_\_\_
4. Flow through of tax credit received from other entities, if any. Check box below.  
 Name and Federal Employer I.D. No. of entity  
 \_\_\_\_\_  
☐ **a** S corporation shareholder — enter amount from Schedule K-1 (Form N-35), line 12a  
☐ **b** Partner — enter amount from Schedule K-1 (Form N-20), line 14  
☐ **c** Beneficiary — enter amount from Schedule K-1 (Form N-40), line 10  
☐ **d** Patron — enter amount from federal Form 1099-PATR..... \$ \_\_\_\_\_
5. Add the credit from Lines 2, 3, and 4. Enter the total here and on Schedule CR, Line 15 (for Form N-11, N-12, N-15, N-30, and N-70NP filers) (rounded to the nearest dollar for individual taxpayers); or Form N-40, Schedule F, line 1, whichever is applicable..... \$ \_\_\_\_\_

**PART II. WORKSHEET FOR GASOLINE PURCHASED AND USED BY PRINCIPAL OPERATOR**

	Column A City & County of Honolulu	Column B County of Maui	Column C County of Hawaii	Column D County of Kauai
1. Enter the number of gallons of gasoline purchased and used by the principal operator.	_____	_____	_____	_____
2. Rate	x \$.325	x \$.290/.340*	x \$.248	x \$.290
3. Multiply the number of gallons from Line 1 by the rate listed on Line 2 (Line 1 x Line 2).	\$ _____	\$ _____	\$ _____	\$ _____

\*Effective July 1, 2003, pursuant to Maui County Resolution No. 03-65.

## GENERAL INSTRUCTIONS:

A principal operator of a commercial fishing vessel who files an income tax return for the taxable year, as indicated on Form N-163, may be eligible for the fuel tax credit for commercial fishers. See sections 235-110.6, Hawaii Revised Statutes (HRS), and 18-235-110.6, Hawaii Administrative Rules.

The credit is available only to a principal operator who purchases and actually uses the fuel to operate a fishing vessel for commercial purposes. Fuel used in the operation of charter fishing boats and the like where the income is derived from fees and sources other than from commercial fishing and fuel used in the operation of a fishing vessel where the activity is not engaged in for profit as provided in Internal Revenue Code section 183 do not qualify for the credit.

The amount of the credit is limited to the fuel taxes imposed under section 243-4(a), HRS, and paid by the principal operator for use in the operation of the fishing vessel during the indicated taxable year.

A husband and wife filing separate returns, where a joint return could have been filed, shall claim only the credit to which the husband and wife would have been entitled had a joint return been filed.

If the properly claimed and allowed credit exceeds the amount of the income tax due and payable from the principal operator, the excess will be refunded to the principal operator under section 235-110.6, HRS.

Claims for the credit, including any amended claims thereof, must be filed on or before the end of the twelfth month following the close of the indicated taxable year.

Attach Form N-163 to applicable Form N-11, N-12, N-15, N-20, N-30, N-35, N-40, or N-70NP.

## SPECIFIC INSTRUCTIONS:

**Line 1.** Section 243-1, HRS, defines alternative fuel as methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; biodiesel; mixtures containing 20 percent or more by volume of biodiesel with diesel or other fuels; fuels (other than alcohol) derived from biological materials; and any other fuel that is substantially not a petroleum product and that the governor determines would yield a substantial energy security benefits or substantial environmental benefits.

**Line 4.** Flow through of tax credit received from other entities, if any. In the case of a taxpayer who is a member of a pass-through entity (i.e., S corporation, partnership, estate, or trust), enter the amount of the tax credit received from the entity on line 4. Attach a copy of the applicable Schedule K-1 to Form N-163 when the tax credit is claimed.

**Line 5.** Form N-11, N-12, N-15, N-30, and N-70NP filers, enter the amount on line 5 on Schedule CR, line 15. For individual taxpayers, round the amount on line 5 to the nearest dollar.

Form N-40 filers, enter the amount on line 5 that is allocated to the estate or trust on Form N-40, Schedule F, line 1. Enter the amount on line 5 that is allocated to the beneficiary on line 10 of Schedule K-1, Form N-40, for each beneficiary.

Form N-35 filers, enter the amount on line 5 on Schedule K, line 12a.

Form N-20 filers, enter the amount on line 5 on Schedule K, line 14.